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Heavy supplies and strong demand again characterize the farm market this fall.

1956 crops have picked up steadily the last few months after a slow start. In early October, total crop output was estimated to be close to 1955 and only a shade below 1948 peak.

Livestock production is continuing its record-setting pace. Eggs, broilers, turkeys, and milk are being turned out at peak rates. Hog production is down from the fall of 1955 but beef output is close to last year's high. Total for livestock and livestock products in 1956 will break a record for eighth consecutive year.

Consumers have more money in their pockets this year than last...are spending 5% more for food. Continued expansion in economic activity is expected to raise consumer income further in coming months.

A growing volume of American farm products is moving abroad. Government programs have stimulated shipments of rice, cotton, wheat and other products. Prosperity abroad, the failure of some foreign crops, lower U. S. export prices for cotton also have helped keep exports far above a year earlier.

Heavy marketings have pushed farmers' prices a little lower since June, despite the strong demand. However, index of prices received by farmers in mid-September remained a little above a year earlier.

LIVESTOCK. More cattle were placed on feed this summer than last and sales of short-fed stock are likely to rise the next few months. This points to seasonal price reductions for choice and prime steers.

Outlook continues to indicate hog prices will move down more slowly this fall than last. Mid-October prices were above a year ago.

DAIRY PRODUCTS. Milk and butterfat prices are again increasing less than seasonally this fall but continue slightly above a year ago. Milk prices have gone up less than feed since last winter but milk-feed price ratio is still above average.

POULTRY PRODUCTS. Fall production of eggs, broilers and turkeys is at record levels for the season. Prices for each product are running below a year ago. USDA has purchase programs in operation for eggs and turkeys.

FATS AND OILS. U. S. supplies of food fats for 1956-57 are expected to about equal last season's record. Exports probably will continue relatively high in the 1956-57 marketing year. Economic activity is high, the population growing and the living standards improving in many foreign countries. Sales for foreign currency also will stimulate exports.

FEED. Corn prices have declined more than seasonally with the beginning of harvest of the second largest crop on record. However, prices for all feed grains have been higher than a year ago with the September average up 15%. Average prices for feed grains probably will continue above a year ago this fall and winter, but by a smaller margin than in September.

With improvement in crop prospects in last 2 months and a record carryover on hand, total supply of feed concentrates is now estimated to be slightly above the 1955-56 record. Number of animals to be fed is slightly smaller.

WHEAT. Prices are generally above a year ago. Market has been strengthened by new export program and drought in southwest at planting time for winter wheat.

Wheat supply for 1956-57 is slightly above 2-billion-bushel mark...a new record. But favorable export prospects point to some reduction in carryover by next July 1.

FRUIT. Prices to orange growers this fall may run a little higher than last fall. Early and mid-season crop is up 4%, according to October estimates, but U. S. demand is strong and exports may rise because of freeze damage in Spain last February.

Better average prices than last fall also are in prospect for deciduous fruits. Total production is expected to be down about 1% with supplies of apples, grapes and cranberries smaller. But supplies of pears, and dried prunes may be up.

VEGETABLES. With production up about 16 %, prices of fresh vegetables this fall are expected to average moderately lower than last fall. Bigger supplies than in 1955-56 also are in view for processed vegetables.

Farmers are expected to harvest 11% more potatoes this fall than last. Prices at both farm and retail levels are relatively low.

The drop in sweetpotato production--both nationally and in States which provide most of the storage supplies--points to materially higher prices than for the 1955 crop.

COTTON. Prices have strengthened in recent weeks. In early October the average 14 spot market price for middling 1-inch was a little above support.

WOOL. Returns to producers for shorn wool this season will be above last year. Cash receipts will be down on the 1956 clip because of lower prices. But this will be more than offset by incentive payments being received this year on the 1955 clip.

TOBACCO. Number of cigarettes manufactured is likely to continue to rise in 1957. However, about the same amounts of flue-cured and burley are likely to be used as this year. More cigarettes apparently are being made per pound of tobacco than formerly. An increased proportion of filter tips which use less tobacco per cigarette and more complete use of tobacco leaves is probably responsible.